

# The Odisha Gazette

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## **LAW DEPARTMENT**

### **NOTIFICATION**

The 24th July, 2024

**S.R.O. No.379/2024**— In exercise of the powers conferred by section 18 of the Legal Services Authorities Act, 1987 (39 of 1987), the accounts of the Odisha State Legal Services Authority for the year 2019-20 has been audited by the O/o Principal Accountant General Odisha , Bhubaneswar and the report thereto of the Comptroller and Auditor General of India is hereby published for being laid before the Odisha Legislative Assembly.

[No.10973— LSA-30/2024/L.]

By Order of the Governor

**MANAS RANJAN BARIK**

Principal Secretary to Government

<b>SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF ODISHA STATE LEGAL SERVICES AUTHORITY, CUTTACK FOR THE YEAR ENDED 31 MARCH 2020</b>
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1. We have audited the attached Balance Sheet of Odisha State Legal Services Authority (OSLSA), Cuttack as on dated 31st March 2020 and the Income & Expenditure Accounts/Receipts and Payment Account for the year ended on that date under Section 19(2) of the Comptroller and Auditor General's DPC (Duties, Powers and Conditions of Service) Act, 1971 read with Section 18(2) of the Legal Service Authorities (LSA) Act, 1987. These financial Statements include the accounts of thirty District Legal Service Authorities (DLSAs), eighty-nine Taluk Services Committees (TLSCs) and one High Court Legal Services Committee (HLSC). The preparation of financial statements is the responsibility of the management of OSLSA. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This Separate Audit Report contains the comments of the Comptroller and Auditor General of India (C&AG) on the accounting treatment on classification in conformity with the best accounting practices, Accounting Standards and disclosure norms, etc. Audit observation on financial transactions with regards to compliance with the Law, Rules and Regulations (Propriety and Regulatory) and efficiency-*cum*-performance aspects etc., if any, are reported through Inspection Reports / CAG's Audit Reports separately.

3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. And audit includes examining, on test basis, evidence supporting the amounts and disclosure in the financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. The Balance Sheet and Income & Expenditure Account / Receipt & Payment Account dealt with by this report have been drawn up in the format prescribed by the Government of India in consultation with the Comptroller and Auditor General (C&AG) of India.
- iii. In our opinion, proper books of accounts and other relevant records have been maintained by OSLSA, Cuttack as required under Section 18 of Chapter-V of the Legal Services Authorities Act, 1987 in so far as it appears from our examination of such books.
- iv. We further report that:

<b>COMMENTS ON ACCOUNTS</b>
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**A. Balance Sheet**

**Corpus/State Legal Aid Fund and Liabilities**

**Current Liabilities and Provisions (Schedule-3) - ₹ 3.12 crore**

1. As per Section 9 of "The Odisha Victim Compensation Scheme, 2017", an amount of ₹3.47 crore was to be paid to the victims as final payment/onetime payment by District Legal Services Authority in twenty districts during the financial year 2019-20., which was required to be booked in the annual accounts as on dated 31st March 2020. However, the Authority has neither paid nor made any provisions towards payment of compensation to victims, which resulted in understatement of the Expenditure on Grants and overstatement of Surplus of Grants carried to State Legal Aid Fund by ₹3.47 crore with corresponding understatement of Current Liabilities & Provisions by the same amount.

## **B. Income and Expenditure Account**

### **Expenditure**

#### **Expenditure on Grants, Subsidies etc. (Schedule-9) - ₹ 15.67 crore**

2. The above is understated by ₹10.66 lakh being the different expenditures on grants occurred during 2019-20 for which the payment was made in subsequent years. Hence, due to non-accounting of the expenditure on grants in the year, resulted in understatement of the Expenditure on Grants and overstatement of Surplus of Grants carried to State Legal Aid Fund by an amount of ₹10.66 lakh with corresponding understatement of Current Liabilities & Provisions by same amount i.e., ₹10.66 lakhs (₹0.11 crore).

## **C. General**

3. As per Section 9 of "The Odisha Victim Compensation Scheme, 2017", the victim is awarded compensation in two phases, first within any time before commencement of trial and the remaining amount on conclusion of trial subject to the satisfaction to be recorded in writing by the District Legal Services Authority. Accordingly, as on dated 31 March 2020, an amount of ₹ 3.18 crore was to be paid to victims including payment of interim compensation as per the pronouncement of final trial / judgement. As this is a substantial amount and considering the future obligation of the Authority, this should have been disclosed suitably in the Note on Accounts. Hence, the Notes on Accounts is deficient to that extent.

## **D. Grants-in-Aid**

Out of the available funds of ₹28.77 crore (₹28,77,06,603) the organization could utilize a sum of ₹18.07 crore (₹18,06,92,841) leaving a balance of ₹10.56 crore (₹10,55,69,080) unutilized (after deducting an amount of ₹14,44,682.00 on account of TDS/Suspension/Surrender to Govt.) as on dated 31st March 2020.

## **E. Net Impact**

The net effect of the comments given in the preceding paras was that Liabilities as on dated 31st March 2020 were understated by ₹3.58 crore and expenditure was understated by ₹3.58 crore.

**F. Management letter**

Deficiencies which have not been included in the Audit Report have been brought to the notice of the OSLSA through a management letter issued separately for corrective action.

v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, Income & Expenditure Account/ Receipt & Payment Account dealt with by this report agree with the books of accounts.

vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in *Annexure* to this Audit Report give a true and fair view in conformity with accounting principles generally accepted in India.

a. In so far as it relates to the Balance Sheet, of the state of affairs of Odisha State Legal Services Authority (OSLSA), Cuttack as of March 2020; and

b. In so far as it relates to Income & Expenditure Account of the deficit for the year ended on that date.

**For and on the behalf of the  
Comptroller & Auditor General of India**

**Place: Bhubaneswar**

**Date: 3rd May, 2024**

**ACCOUNTANT GENERAL**

***Annexure-I*****1. Adequacy of Internal Audit**

There is no Internal Audit Cell existing in OSLSA. Internal Audit is being conducted by a Chartered Accountant appointed by the OSLSA, Cuttack.

**2. Internal Control System**

- Fixed Assets Register at DSLC level are not maintained properly.
- Stock/Assets register furnished to audit does not contain fixed assets like Land, Buildings, Website Development etc.

**Deputy Accountant General/AMG-I**